

FISCAL IMPACT STATEMENT ON BILL NO. **S.516**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown		
DATE:	March 31, 2009	SBD:	2009331

AUTHOR:	Senator Cromer	PRIMARY CODE CITE:	38-1-20
SUBJECT:	Insurance Definitions		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

The Bill adds certain definitions and provides that certain licensure fees are due on a biennial basis, increases the initial producer license renewal fee, provides for the requirements relating to the payment of appointment fees, provides that continuing education requirements are based on the licensee's month and year of birth, deletes the prohibition one splitting commissions with an unlicensed person by an insurance producer and provides for the requirements related to the splitting and sharing of commissions and deletes the requirement that a broker hold at least one appointment.

EXPLANATION OF IMPACT:

This Bill would have no impact on the General Fund of the State. The Department of Insurance states that this Bill would result in additional Other Fund expenditures totaling \$462,971 that would come from licensure fees authorized by Section 38-43-80. Recurring costs would cover the salaries and fringe benefits of two Administrative Specialists totaling \$56,760, other operating expenses of \$13,200 and computer system programming costs, maintenance and upgrades of \$66,102. One time costs include office set-up of \$7,000, notice to producers of \$55,500 for postage, copying and mailing supplies and programming costs of \$264,409 for programming hardware and software to transition to a technology based licensing program.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this or any other Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget